ST. VINCENT DE PAUL BATON ROUGE COUNCIL

PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA

ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.

ST. VINCENT DE PAUL PROPERTIES

THE SOCIETY OF ST. VINCENT DE PAUL FOUNDATION

SEPTEMBER 30, 2013

BATON ROUGE, LOUISIANA

CONTENTS

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Certified Public Accountants

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Independent Auditor's Report

To the Board of Directors
St. Vincent de Paul Baton Rouge Council
Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana
St. Vincent de Paul Community Pharmacy, Inc.
St. Vincent de Paul Properties
The Society of St. Vincent de Paul Foundation
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of St. Vincent de Paul Baton Rouge Council, Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, St. Vincent de Paul Community Pharmacy, Inc., St. Vincent de Paul Properties, and The Society of St. Vincent de Paul Foundation (the Organizations), which comprise the consolidated statement of financial position as of September 30, 2013, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organizations referenced above as of September 30, 2013, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 24, 2014 on our consideration of the Organizations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organizations' internal control over financial reporting and compliance.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Baton Rouge, Louisiana
February 24, 2014

ST. VINCENT DE PAUL BATON ROUGE COUNCIL
PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.
ST. VINCENT DE PAUL PROPERTIES
THE SOCIETY OF ST. VINCENT DE PAUL FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2013

ASSETS

Current Assets:	
Cash	$ 1,658,244
Grants Receivable	312,271
Receivable from Charitable Remainder Trusts	3,063,311
Other Receivable	19,742
Accrued Interest	8,171
Prepaid Expenses	45,289
Inventory	343,181
Total Current Assets	5,450,209
Property, Plant and Equipment, Net of Accumulated Depreciation	4,764,314
Investment in GCHP-One Stop, L.L.C.	18,933
Other Assets	13,446
Total Assets	$ 10,246,902

LIABILITIES AND NET ASSETS

Current Liabilities:	
Current Portion of Notes Payable	$ 452,550
Accounts Payable	29,044
Accrued Liabilities	70,606
Deferred Revenue	17,818
Total Current Liabilities	570,018
Net Assets:	
Unrestricted	6,298,909
Temporarily Restricted	3,305,149
Permanently Restricted	72,826
Total Net Assets	9,676,884
Total Liabilities and Net Assets	$ 10,246,902

The accompanying notes are an integral part of this statement.

ST. VINCENT DE PAUL BATON ROUGE COUNCIL
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THE SOCIETY OF ST. VINCENT DE PAUL FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support and Revenue:				
Public Support:				
Contributions	$ 987,155	$ 576,703	$ -	$ 1,563,858
Conference Income	637,213	-	-	637,213
Donated Facilities/Commodities/ Inventory/Pharmaceuticals/Services	3,548,904	-	-	3,548,904
Total Public Support	5,173,272	576,703	-	5,749,975
Revenue:				
Grant Income	-	854,513	-	854,513
Sale of Merchandise	1,682,920	-	-	1,682,920
Miscellaneous Income	37,564	-	-	37,564
Gain (Loss) on Disposition of Assets	(3,670)	-	-	(3,670)
Proceeds from Charitable Remainder Trusts	-	3,063,311	-	3,063,311
Interest Income	19,104	1,740	-	20,844
Total Revenue	1,735,918	3,919,564	-	5,655,482
Total Public Support and Revenue	6,909,190	4,496,267	-	11,405,457
Net Assets Released from Restrictions:				
Satisfaction of Restrictions	1,426,854	(1,426,854)	-	-
Total Public Support, Revenue, and Net Assets Released from Restrictions	8,336,044	3,069,413	-	11,405,457
Expenses:				
Program Services	7,957,028	-	-	7,957,028
Fund Raising	240,649	-	-	240,649
Management and General	319,444	-	-	319,444
Total Expenses	8,517,121	-	-	8,517,121
Increase (Decrease) in Net Assets	(181,077)	3,069,413	-	2,888,336
Net Assets at Beginning of Year	6,479,986	235,736	72,826	6,788,548
Net Assets at End of Year	$ 6,298,909	$3,305,149	$ 72,826	$ 9,676,884

The accompanying notes are an integral part of this statement.

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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Program Services					
	Store	Dining Room	Shelter	Particular Council	Housing Services	Properties
Salaries and Employee Benefits	$ 643,137	$ 189,015	$ 497,691	$ 43,900	$ -	$ -
Payroll Taxes	53,393	15,171	41,560	6,700	-	-
Advertising	107,461	1,033	605	-	-	-
Auto	48,526	1,642	9,282	-	-	-
Assistance to Needy	19,075	85	178,609	-	-	-
Assistance to Needy by Conferences	-	-	-	-	-	-
Dues & Publications	725	697	2,066	-	-	-
Employee Benefits	24,878	8,194	23,456	-	-	-
Food Supply Expense	502	282,342	65,226	-	-	-
Insurance	108,875	37,377	55,828	19,300	-	-
Legal and Professional	34,292	2,730	16,569	900	-	1,740
Meds Direct	-	-	-	-	-	-
Miscellaneous	40,721	35,945	9,203	-	-	-
Events	926	926	1,031	-	-	-
Printing	521	521	521	-	-	-
Pharmacist Hours (Donated)	-	-	-	-	-	-
Pharmaceuticals (Donated)	-	-	-	-	-	-
Pharmaceuticals Purchased	-	-	-	-	-	-
Repairs and Maintenance	77,176	25,797	57,836	-	-	-
Rent Expense	195,295	-	5,083	6,000	-	-
Store & Uniform Expense	1,877,497	-	-	-	-	-
Supplies	31,436	32,481	45,527	-	-	-
Postage	1,555	1,501	1,525	-	-	-
Telephone	27,914	1,966	12,610	-	-	-
Travel and Conventions	373	399	873	-	-	-
Utilities	57,438	24,534	48,159	-	-	-
Subtotal	3,351,716	662,356	1,073,260	76,800	-	1,740
Depreciation	65,681	49,254	91,007	-	-	-
Total	$ 3,417,397	$ 711,610	$ 1,164,267	$ 76,800	$ -	$ 1,740

The accompanying notes are an integral part of this statement.

Council	Foundation	Pharmacy	Total Program	Supporting Services: Fund Raising	Management and General	Total Support	Total Program and Support
$ -	$ -	$ 183,930	$ 1,557,673	$ 135,590	$ 186,016	$ 321,606	$ 1,879,279
-	-	14,364	131,188	10,051	12,582	22,633	153,821
-	-	10	109,109	25,028	2,603	27,631	136,740
-	-	-	59,450	25	2,068	2,093	61,543
-	-	-	197,769	212	382	594	198,363
641,032	-	-	641,032	-	-	-	641,032
-	-	281	3,769	666	449	1,115	4,884
-	-	18,099	74,627	6,652	10,964	17,616	92,243
-	-	-	348,070	116	1,419	1,535	349,605
-	-	18,101	239,481	5,484	10,498	15,982	255,463
-	1,516	2,505	60,252	-	12,731	12,731	72,983
-	-	1,200	1,200	-	-	-	1,200
-	-	-	85,869	400	2,679	3,079	88,948
-	-	-	2,883	11,699	4,166	15,865	18,748
-	-	-	1,563	19,404	2,344	21,748	23,311
-	-	52,292	52,292	-	-	-	52,292
-	-	1,468,668	1,468,668	-	-	-	1,468,668
-	-	147,691	147,691	-	-	-	147,691
-	-	8,380	169,189	557	17,351	17,908	187,097
-	-	-	206,378	-	-	-	206,378
-	-	-	1,877,497	-	-	-	1,877,497
-	-	13,622	123,066	8,669	11,718	20,387	143,453
-	-	206	4,787	10,127	6,755	16,882	21,669
-	-	1,591	44,081	3,325	1,391	4,716	48,797
-	-	-	1,645	932	1,678	2,610	4,255
-	-	8,277	138,408	1,712	3,517	5,229	143,637
641,032	1,516	1,939,217	7,747,637	240,649	291,311	531,960	8,279,597
-	-	3,449	209,391	-	28,133	28,133	237,524
$ 641,032	$ 1,516	$ 1,942,666	$ 7,957,028	$ 240,649	$ 319,444	$ 560,093	$ 8,517,121

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Cash Flows From Operating Activities:	
Increase in Net Assets	$ 2,888,336
Adjustments to Reconcile Increase	
in Net Assets to Net Cash Provided by (Used in)	
Operating Activities:	
Depreciation	237,524
Loss on Disposition of Assets	3,670
Change in Beneficial Interest of Receivable from Charitable Remainder Trusts	(3,063,311)
Changes in Assets and Liabilities:	
(Increase) Decrease in Grant Receivable	83,900
(Increase) Decrease in Other Receivable	350,071
(Increase) Decrease in Accrued Interest	(1,890)
(Increase) Decrease in Prepaid Expenses	(3,394)
(Increase) Decrease in Inventory	47,294
(Increase) Decrease in Other Assets	(13,446)
Increase (Decrease) in Accrued Liabilities	2,188
Increase (Decrease) in Accounts Payable	(308,130)
Increase (Decrease) in Deferred Revenue	(8,518)
Cash Provided by Operating Activities	214,294
Cash Flows From Investing Activities:	
Investment in GCHP-One Stop, L.L.C.	(18,933)
Purchases of Building and Equipment	(289,369)
Proceeds from the Sale/Disposition of Assets	617
Net Cash Used in Investing Activities	(307,685)
Cash Flows From Financing Activities:	
Proceeds from the Issuance of Debt	350,000
Repayments of Debt	(354,600)
Net Cash Used in Financing Activities	(4,600)
Net Decrease in Cash and Cash Equivalents	(97,991)
Cash and Cash Equivalents - Beginning of Year	1,756,235
Cash and Cash Equivalents - End of Year	$ 1,658,244
Supplemental Disclosure of Cash Flow Information:	
Cash Payments for:	
Interest	$ 14,028

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies -

These consolidated financial statements include the activity of St. Vincent de Paul Baton Rouge Council and its wholly-owned subsidiaries, Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana and its subsidiary, St. Vincent de Paul Community Pharmacy, Inc., St. Vincent de Paul Properties, and The Society of St. Vincent de Paul Foundation (collectively, the "Organizations"). All significant intercompany balances and transactions have been eliminated in consolidation.

Nature of Activities

The Society of St. Vincent de Paul Baton Rouge Council ("Council") is a nonprofit corporation organized under the laws of the State of Louisiana for the following purpose: (a) foster, encourage and carry out the works of charity in the spirit of the Society of St. Vincent de Paul, a lay organization of the Catholic Church; (b) unite all St. Vincent de Paul Conferences in the Diocese of Baton Rouge, Louisiana; (c) ensure that all Baton Rouge St. Vincent de Paul Conferences conduct their affairs according to the Rule set forth in the manual of the Society of St. Vincent de Paul in the United States. The members of the Council are the presidents of those Baton Rouge SVDP Conferences that are aggregated and in good standing with the Council. The Organization is exempt from income taxes under 501(c)(3) of the Internal Revenue Code.

The Particular Council of St. Vincent de Paul of Baton Rouge ("Particular Council") is a nonprofit corporation organized under the laws of the State of Louisiana for the purpose of operating special works as the Society of St. Vincent de Paul, a lay organization of the Catholic Church; operating salvage stores; providing a feeding facility for the needy; providing four shelters and one day center for the homeless; a transitional apartment complex for homeless women; and employment, rehabilitation and opportunities for personal growth to disadvantaged individuals. The sole member of the Particular Council is the St. Vincent de Paul Baton Rouge Council. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

St. Vincent de Paul Community Pharmacy, Inc. ("Pharmacy") is a nonprofit corporation organized under the laws of the State of Louisiana for the purpose of providing a pharmacy for disadvantaged individuals. The Pharmacy operates as a special work of the Society of St. Vincent de Paul, a lay organization of the Catholic Church. The sole member of the Pharmacy is the Particular Council of St. Vincent de Paul Baton Rouge, Louisiana. The Organization is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code.

St. Vincent de Paul Properties ("Properties") is a nonprofit Organization organized and operated for the exclusive purpose of holding title of property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to the Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, a lay organization of the Catholic Church. The sole member of Properties is St. Vincent DePaul Baton Rouge Council. The Organization is exempt from income taxes under 501(c)(3) of the Internal Revenue Code.

The Society of St. Vincent de Paul Foundation ("Foundation") is a nonprofit corporation organized under the laws of the State of Louisiana to be operated exclusively for the benefit of the Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, a lay organization of the Catholic Church. The Foundation's primary role is to raise financial resources for the Particular Council. The sole member of the Foundation is St. Vincent de Paul Baton Rouge Council. The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended September 30, 2013.

The Organizations file income tax returns in the U.S. federal tax jurisdiction. With few exceptions, the Organizations are no longer subject to federal income tax examinations by tax authorities for years before 2009. Any interest and penalties assessed by income taxing authorities are not significant and are included in general and administrative expenses in these financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The Organizations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

Contributions

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes, are reported as temporarily restricted or permanently restricted support that increases those net asset classes, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated Statement of Activities as net assets released from restrictions.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Donated Assets, Goods and Services

Land, buildings and equipment received as donations are recognized in the accompanying consolidated financial statements at their estimated fair market value at the date they are received.

The value of donated items received for resale in the salvage store is recognized in the accompanying consolidated financial statements at their estimated fair value only to the extent that the items were resold. Any items not resold are not recorded as donations in the consolidated financial statements because there is no objective basis available to value such items.

The Organizations recognize contribution revenue for certain services received at the fair value of those services provided those services create or enhance nonfinancial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year ended September 30, 2013, donated services of the pharmacist and accounting services were recorded as the services were performed. The value of other contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. Nevertheless, a number of volunteers donate a significant amount of time in the operations of the stores and dining hall.

The value of donated food received at the dining hall is recognized in the accompanying consolidated financial statements based on the number of meals served. Donated pharmaceuticals are reflected as contributions at the time used.

St. Vincent de Paul donates space to two dentists to provide dental services for shelter residents. The dentists provide all of their own supplies. St. Vincent de Paul also donates space to the Baton Rouge Primary Care Collaborative and Thirst for Justice. The Organizations do not record donated revenue for these services because they merely provide the space.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the consolidated Statement of Cash Flows, the Organizations consider all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Inventory

Inventory is valued at the lower of cost or market. Cost is determined using the first-in, first-out method. Inventory is primarily purchased uniforms.

Property and Equipment

Expenditures for the acquisition of property and equipment are capitalized at cost. The fair value of donated property and equipment is similarly capitalized. Depreciation is provided over the estimated useful lives of the assets, which range from 5 to 39 years, using the straight-line and various accelerated methods.

Contributed Facilities

The Organizations operate, without charge, certain premises upon which their salvage store and shelters are located. The estimated fair rental value of the premises is reported as support and expense in the year in which the premises are used.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Consolidated Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the time spent on each program.

Note 2 - Property, Plant and Equipment -

A summary of fixed assets as of September 30, 2013 follows:

	Particular Council of SVDP	St. Vincent de Paul Pharmacy	St. Vincent de Paul Properties	Consolidated Total
Buildings and Leasehold Improvements	$ 4,096,980	$ -	$ -	$ 4,096,980
Equipment, Furnishings and Vehicles	1,813,898	27,636	-	1,841,534
	5,910,878	27,636	-	5,938,514
Less: Accumulated Depreciation	(2,134,364)	(21,456)	-	(2,155,820)
	3,776,514	6,180	-	3,782,694
Land	692,539	-	289,081	981,620
	$ 4,469,053	$ 6,180	$ 289,081	$ 4,764,314

Depreciation expense for the year ended September 30, 2013 was $237,524.

Note 3 - Concentrations -

Concentrations of credit risk and revenue sources are limited due to the large number of contributions comprising the Organizations' contributor base.

The Organizations maintain cash accounts with commercial banks, which are insured by the Federal Deposit Insurance Corporation up to the maximum allowed. Periodically, cash may exceed the federally insured amount. In addition, cash is on deposit with the Diocese of Baton Rouge and funds are secured by the investment in the Deposit and Loan Fund and by the guaranty of the Diocese.

Note 4 - 403(b) Program -

The Particular Council and the Pharmacy each have a 403(b) program for its employees. Under the programs, qualified employees are able to make elective deferrals and the Organizations contribute up to a maximum of 6% of qualified wages. The total contribution for the year ended September 30, 2013 for the Particular Council and the Pharmacy was $73,189 and $11,796, respectively.

Note 5 - Lease Commitments -

The Particular Council has entered into various lease agreements for the use of building under non-cancelable operating leases. Future minimum lease payments are as follows:

Fiscal Year:		
2014	$	72,050
2015		53,200
2016		53,200
2017		31,033
Total Future Minimum Lease Payments	$	209,483

The Particular Council has also entered into other lease agreements for the store locations that are renewed annually. Total rent expense for 2013 was $206,378.

Note 6 - Endowment Funds -

Prior to and as of September 30, 2010, the Particular Council followed the Uniform Management of Institutional Funds Act of 1972 (UMIFA) and its own governing documents. UMIFA required the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund was spendable under UMIFA. The Particular Council's donors have limited the use of investment income or net appreciation resulting from the donor-restricted endowment funds for the use of dining room operations.

A version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) was adopted by the State of Louisiana during 2010 with an effective date of July 1, 2010. The new law updates the fundamental investment principles contained in the prior law (UMIFA), by providing standards to establish investment policies in a prudent manner by establishing a duty to minimize cost, diversify the investments, investigate facts relevant to the investment of the fund, consider tax consequences of investment decisions and to ensure that investment decision be made in light of the fund's entire portfolio as a part of an investment strategy having risk and return objectives reasonably suited to the fund and to the organization. UPMIFA also permits the Particular Council to accumulate for expenditure so much of an endowment fund as the Particular Council determines to be prudent for the uses, benefits, purposes and duration for which the endowment fund is established, thereby eliminating the restriction that a fund could not be spent below its historical dollar value. Seven criteria are to be used to guide the Particular Council in its yearly expenditure decisions:

(1) duration and preservation of the endowment funds,
(2) the purposes of the Particular Council and the endowment funds,
(3) general economic conditions,
(4) effect of inflation or deflation,
(5) the expected total return from income and the appreciation of investments,
(6) other resources of the Particular Council, and
(7) the investment policy of the Particular Council.

The Particular Council has followed the policy of investing its endowment funds in its savings account. As required by generally accepted accounting principles, and in accordance with the terms of the fund agreements, these endowment funds and the net appreciation (depreciation) of these funds are recorded as permanently restricted net assets in these financial statements. The historical cost of the net assets associated with the endowment funds will be preserved, and any remaining net depreciation that is not classified in permanently restricted net assets is classified as temporarily restricted or unrestricted net assets.

Endowment net asset composition by type of fund as of September 30, 2013 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Donor Restricted Endowment Funds	$ -	$ -	$ 72,826	$ 72,826

Changes in endowment net assets for the year ended September 30, 2013 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Endowment Net Assets, Beginning of Year	$ -	$ -	$ 72,826	$ 72,826
Contributions	-	-	-	-
Investment Income	-	1,740	-	1,740
Amounts Appropriated for Expenditure	-	(1,740)	-	(1,740)
Endowment Net Assets, End of Year	$ -	$ -	$ 72,826	$ 72,826

Note 7 - Charitable Remainder Annuity Trusts -

The Particular Council of St. Vincent de Paul of Baton Rouge (Special Works) had been named a remainder beneficiary of two charitable remainder annuity trusts. Two income beneficiaries were to receive, first from income and, to the extent that income is insufficient, from principal, a total annuity equal to the annuity percentage multiplied by the initial net fair market value of the trust assets. Upon the death of the second beneficiary, the remainder principal was to be distributed to Special Works. In December 2012, the second of the income beneficiaries of the Charitable Remainder Annuity Trusts, as detailed above, passed away. The Particular Council of St. Vincent DePaul (Special Works) is the remainder beneficiary, and the trust funds of $3,063,311will be transferred to Special Works once approved by the trustee. Management and legal counsel believe that the funds will be transferred during fiscal year 2014.

Note 8 - GCHP- One Stop, L.L.C. - Leases -

St. Vincent de Paul Properties entered into a grounds lease with GCHP-One Stop, L.L.C. on July 30, 2010. This lease has a rental term of 50 years with a renewal option for an additional 25 years. The total lease payments to be received each year equal $100 and payment is due in January each year. The following is a schedule by year of the future minimal lease payments receivable under the lease at September 30, 2013:

Fiscal Year:		
2014	$	100
2015		100
2016		100
2017		100
2018		100
Thereafter		4,200
Total Future Minimum Lease Payments Receivable	$	4,700

Note 9 - Investment in GCHP- One Stop, L.L.C. -

In July 2010, the Particular Council acquired a 24% interest in GCHP- One Stop, L.L.C., a limited liability company established to develop the One Stop Homeless Service Center and Housing Project. The Particular Council accounts for its investment in the unconsolidated affiliate by the equity method. The Particular Council records its share of such earnings (loss) in the Consolidated Statement of Activities as "Income from GCHP-One Stop, L.L.C." and the carrying value of the investment in the unconsolidated affiliate is recorded in the Consolidated Statement of Financial Position as "Investment in GCHP-One Stop, L.L.C." The investment in the affiliate at September 30, 2013 was $18,933.

Note 10 - Notes Payable -

During 2011, The Particular Council of St. Vincent de Paul of Baton Rouge (Special Works) obtained two individual lines of credit with the Diocese of Baton Rouge. The first line of credit was used to purchase property on Florida Boulevard, a warehouse on North Street, and to complete the renovations to the warehouse. This line of credit has a maximum borrowing value in the amount of $470,000 and was drawn on by the Particular Council on an as needed basis. The second line of credit was used to renovate the Dining Room and to build a New Men's Shelter. This line of credit has a maximum borrowing value of $500,000 and was drawn on by the Particular Council on an as needed basis. Each line of credit could be converted into individual term loans with the Diocese of Baton Rouge. At September 30, 2013, the balance of the lines of credit totaled $452,550 and they are unsecured. The present interest rate on the borrowing is 3.5% and is subject to change until the term loan is completed. The total interest expense paid as of September 30, 2013 is $14,028.

Note 11 - Net Assets Released from Restrictions -

Net Assets were released from restrictions for incurring expenses satisfying their restricted purposes as follows:

	Particular Council of SVDP	St. Vincent de Paul Pharmacy	Consolidated Total
Uniforms for Kids	$ 222,529	$ -	$ 222,529
Shelter Contributions	219,281	-	219,281
Grants	657,347	124,842	782,189
Dining Room Contributions	157,895	-	157,895
Dental Contributions	304	-	304
Vehicle Donations	43,039	-	43,039
Build a Basket	1,617	-	1,617
Total Restrictions Released	$ 1,302,012	$ 124,842	$ 1,426,854

Note 12 - Restrictions on Net Assets -

The Organizations received contributions from individuals for the purpose of purchasing school uniforms for disadvantaged children. The funds are restricted to the purchase of new uniforms.

The Organizations received grants from various sources. The funds are restricted for the purpose of the various grants.

The Organizations received contributions for the purpose of expanding the Pharmacy and other building costs. The funds are restricted for the purpose of building related expenses.

The Organizations received contributions for the purpose of operating its mobile kitchen. The funds are restricted for the purpose of operating the mobile kitchen.

Temporarily restricted net assets are available for the following purposes:

	Particular Council of SVDP	St. Vincent de Paul Pharmacy	Consolidated Total
Receivable from Charitable Remainder Trusts	$ 3,063,311	$ -	$ 3,063,311
Shelter	180,470	-	180,470
Dental Contributions	5,173	-	5,173
Chapel	5,000	-	5,000
Disaster Contributions	20	-	20
Community Garden	2,000	-	2,000
Mobile Kitchen	49,175	-	49,175
	$ 3,305,149	$ -	$ 3,305,149

Permanently restricted net assets are available for the following purposes:

Dining Room Operations	$ 72,826

During 1996, the Organizations were named partial beneficiary of a charitable remainder trust terminating in 5 years. The trust terminated in September of 2001. Upon termination, funds totaling $52,826 became permanently restricted with the future income only to be used for dining room operations.

During 2001, the Organizations received a $20,000 donation which was to be held in a separate account with the interest only to be used for dining room operations.

Note 13 - Related Party -

The Organizations utilize the Diocese of Baton Rouge for the following self insured services: property, health, life/disability insurance and dental insurance. Payments made directly to the Diocese of Baton Rouge for these services totaled $635,068 for the fiscal year ended September 30, 2013. In addition to the self insurance services, the Diocese of Baton Rouge has loaned the Particular Council funds as indicated in Note 10 for the purchase of property and related renovations. The balance due to the Diocese of Baton Rouge at September 30, 2013 is $452,550 and the Particular Council has made $14,028 in interest payments related to this debt during the year ended September 30, 2013.

The Organizations utilize the services of a printing company whose owner is directly related to the Chief Executive Officer/President with Board approval and oversight. Payments made directly to this company totaled $24,542 for the fiscal year ended September 30, 2013.

Note 14 - Subsequent Events -

The Organizations evaluated subsequent events and transactions for potential recognition or disclosure on the financial statements through February 24, 2014 the date which the financial statements were available to be issued.

PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	CFDA	Amount of Federal Expenditures
U.S. Department of Housing and Urban Development		
Passed through City Parish:		
Emergency Solutions Grants Program	14.231	$ 156,638
Supportive Housing Program Grants	14.235	202,696
Community Development Block Grant Cluster- Pharmacy	14.218	75,000
Passed through Louisiana Department of Social Services, Office of Community Services		
Emergency Solutions Grants Program	14.231	181,500
Total U.S. Department of Housing and Urban Development		615,834
U.S. Department of Agriculture		
Passed through Louisiana Department of Education		
Child Nutrition Cluster - Summer Food Service	10.559	48,567
Total U.S. Department of Agriculture		48,567
U.S. Department of Homeland Security		
Passed Through United Way of America:		
Emergency Food and Shelter Program - FEMA	97.024	29,538
Total Department of Homeland Security		29,538
Total Federal Grants		$ 693,939

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Note A - Basis of Presentation -

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana and St. Vincent de Paul Community Pharmacy, Inc. under programs of the federal government for the year ended September 30, 2013. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of The Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana and St. Vincent de Paul Community Pharmacy, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of The Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana and St. Vincent de Paul Community Pharmacy, Inc.

Note B - Summary of Significant Accounting Policies -

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors
Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana
St. Vincent de Paul Community Pharmacy, Inc.
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of the Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, and St. Vincent de Paul Community Pharmacy, Inc., (the Organizations), which comprise the consolidated statement of financial position as of September 30, 2013, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 24, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organizations' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organizations' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entities' consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organizations' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. Additional matters were communicated to management in a written communication.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organizations' internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organizations' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, the Office of the Louisiana Legislative Auditor and any cognizant agency and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document and its distribution is not limited.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Baton Rouge, Louisiana
February 24, 2014

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

To the Board of Directors
Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana
St. Vincent de Paul Community Pharmacy, Inc.
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, and St. Vincent de Paul Community Pharmacy, Inc.'s, (the Organizations) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Organizations' major federal programs for the year ended September 30, 2013. The Organizations' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organizations' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organizations' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organizations' compliance.

Opinion on Each Major Federal Program

In our opinion, the Organizations complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of the Organizations is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organizations' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organizations' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, the Office of the Louisiana Legislative Auditor and any cognizant agency, and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document and its distribution is not limited.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Baton Rouge, Louisiana
February 24, 2014

PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

(1) Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unmodified.

- Material weakness(es) identified? ________ Yes __x__ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ________ Yes __x__ none reported

Noncompliance material to financial statements noted? ________ Yes __x__ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ________ Yes __x__ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ________ Yes __x__ none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133? ________ Yes __x__ no

Identification of major program:

	CFDA Number	
U.S. Department of Housing and Urban Development		
Passed through City Parish/Office of Community Services:		
Emergency Solutions Grants Program	14.231	$ 338,138
Total U.S. Department of Housing and Urban Development		$ 338,138

- The threshold for distinguishing types A & B programs was program expenditures exceeding $300,000.
- The Organization did qualify as a low-risk auditee.

(2) Findings Relating to the Consolidated Financial Statements Reported in Accordance with *Government Auditing Standards*:
None

(3) Findings Relating to Compliance and Other Matters:

None

(4) Findings and Questioned Cost Related to Federal Awards:
None

PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

There were no prior year audit findings.

SUPPLEMENTARY INFORMATION

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Independent Auditor's Report on the Supplementary Information

To the Board of Directors
St. Vincent de Paul Baton Rouge Council
Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana
St. Vincent de Paul Community Pharmacy, Inc.
St. Vincent de Paul Properties
The Society of St. Vincent de Paul Foundation
Baton Rouge, Louisiana

We have audited the consolidated financial statements of the St. Vincent de Paul Baton Rouge Council, Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, St. Vincent de Paul Community Pharmacy, Inc., St. Vincent de Paul Properties, and The Society of St. Vincent de Paul Foundation as of and for the year ended September 30, 2013, and have issued our report thereon dated February 24, 2014, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 26 - 28 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Baton Rouge, Louisiana
February 24, 2014

ST. VINCENT DE PAUL BATON ROUGE COUNCIL
PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.
ST. VINCENT DE PAUL PROPERTIES
THE SOCIETY OF ST. VINCENT DE PAUL FOUNDATION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2013

ASSETS

	St. Vincent dePaul Council	Particular Council of St. Vincent dePaul (Special Works)	St. Vincent dePaul Properties
Current Assets:			
Cash	$ 201,355	$ 646,358	$ 2,000
Grants Receivable	-	312,271	-
Receivable from Charitable Remainder Trusts	-	3,063,311	-
Other Receivable	-	19,304	-
Accrued Interest	-	2,201	-
Prepaid Expenses	-	35,532	-
Inventory	-	336,560	-
Due From Related Entities	-	-	-
Total Current Assets	201,355	4,415,537	2,000
Property, Plant and Equipment, Net of Accumulated Depreciation	-	4,469,053	289,081
Investment in GCHP-One Stop, L.L.C.	-	18,933	-
Other Assets	-	13,446	-
Total Assets	$ 201,355	$ 8,916,969	$ 291,081

LIABILITIES AND NET ASSETS

	St. Vincent dePaul Council	Particular Council of St. Vincent dePaul (Special Works)	St. Vincent dePaul Properties
Current Liabilities:			
Current Portion of Notes Payable	$ -	$ 452,550	$ -
Accounts Payable	-	23,432	-
Accrued Liabilities	-	63,134	-
Due To Related Entities	-	4,330	-
Deferred Revenue	-	17,818	-
Total Current Liabilities	-	561,264	-
Net Assets:			
Unrestricted	201,355	4,977,730	291,081
Temporarily Restricted	-	3,305,149	-
Permanently Restricted	-	72,826	-
Total Net Assets	201,355	8,355,705	291,081
Total Liabilities and Net Assets	$ 201,355	$ 8,916,969	$ 291,081

See independent auditor's report on the supplementary information.

St. Vincent dePaul Foundation	St. Vincent dePaul Pharmacy	Eliminations	Total
$ 796,044	$ 12,487	$ -	$ 1,658,244
-	-	-	312,271
-	-	-	3,063,311
-	438	-	19,742
5,970	-	-	8,171
-	9,757	-	45,289
-	6,621	-	343,181
-	4,330	(4,330)	-
802,014	33,633	(4,330)	5,450,209
-	6,180	-	4,764,314
-	-	-	18,933
-	-	-	13,446
$ 802,014	$ 39,813	$ (4,330)	$ 10,246,902
$ -	$ -	$ -	$ 452,550
-	5,612	-	29,044
-	7,472	-	70,606
-	-	(4,330)	-
-	-	-	17,818
-	13,084	(4,330)	570,018
802,014	26,729	-	6,298,909
-	-	-	3,305,149
-	-	-	72,826
802,014	26,729	-	9,676,884
$ 802,014	$ 39,813	$ (4,330)	$ 10,246,902

ST. VINCENT DE PAUL BATON ROUGE COUNCIL
PARTICULAR COUNCIL OF ST. VINCENT DE PAUL OF BATON ROUGE, LOUISIANA
ST. VINCENT DE PAUL COMMUNITY PHARMACY, INC.
ST. VINCENT DE PAUL PROPERTIES
THE SOCIETY OF ST. VINCENT DE PAUL FOUNDATION

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	St. Vincent dePaul Council	Particular Council of St. Vincent dePaul (Special Works)	St. Vincent dePaul Properties
CHANGES IN UNRESTRICTED NET ASSETS:			
Unrestricted Public Support and Revenues:			
Contributions	$ -	$ 841,559	$ -
Conference Income	637,213	-	-
Donated Facilities/Commodities/ Inventory/Pharmaceuticals/Services	-	2,024,788	348
Sale of Merchandise	-	1,682,920	-
Interest Income	-	4,240	-
Gain (Loss) on Disposition of Assets	-	(3,670)	-
Miscellaneous	-	37,403	-
Net Assets Released From Restrictions	-	1,302,012	-
Total Unrestricted Public Support and Revenues	637,213	5,889,252	348
Expenses:			
Program Services	641,032	5,545,001	1,740
Fund Raising	-	230,961	-
Management and General	-	291,952	-
Total Expenses	641,032	6,067,914	1,740
Increase (Decrease) in Unrestricted Net Assets	(3,819)	(178,662)	(1,392)

(CONTINUED)

St. Vincent dePaul Foundation	St. Vincent dePaul Pharmacy	Eliminations	Total
$ -	$ 320,523	$ (174,927)	$ 987,155
-	-	-	637,213
303	1,600,265	(76,800)	3,548,904
-	-	-	1,682,920
14,845	19	-	19,104
-	-	-	(3,670)
-	161	-	37,564
-	124,842	-	1,426,854
15,148	2,045,810	(251,727)	8,336,044
1,516	1,948,366	(180,627)	7,957,028
-	33,588	(23,900)	240,649
-	74,692	(47,200)	319,444
1,516	2,056,646	(251,727)	8,517,121
13,632	(10,836)	-	(181,077)

	St. Vincent dePaul Council	Particular Council of St. Vincent dePaul (Special Works)	St. Vincent dePaul Properties
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:			
Restricted Public Support and Revenues:			
Contributions	$ -	$ 576,703	$ -
Proceeds from Charitable Remainder Trusts	-	3,063,311	-
Grant Income	-	733,671	-
Interest Income	-	1,740	-
Net Assets Released from Restrictions	-	(1,302,012)	-
Increase (Decrease) in Temporarily Restricted Net Assets	-	3,073,413	-
Increase (Decrease) in Net Assets	(3,819)	2,894,751	(1,392)
Net Assets, Beginning of Year	211,174	5,457,559	291,081
Transfer to (from) Entities	(6,000)	3,395	1,392
Net Assets, End of Year	$ 201,355	$ 8,355,705	$ 291,081

See independent auditor's report on the supplementary information.

St. Vincent dePaul Foundation	St. Vincent dePaul Pharmacy	Eliminations	Total
$ -	$ -	$ -	$ 576,703
-	-	-	3,063,311
-	120,842	-	854,513
-	-	-	1,740
-	(124,842)	-	(1,426,854)
-	(4,000)	-	3,069,413
13,632	(14,836)	-	2,888,336
787,169	41,565	-	6,788,548
1,213	-	-	-
$ 802,014	$ 26,729	$ -	$ 9,676,884

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To the Board of Directors
St. Vincent de Paul Baton Rouge Council,
Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana,
St. Vincent de Paul Community Pharmacy, Inc.,
St. Vincent de Paul Properties, and
The Society of St. Vincent de Paul Foundation
Baton Rouge, Louisiana

In planning and performing our audit of the consolidated financial statements of St. Vincent de Paul Baton Rouge Council, Particular Council of St. Vincent de Paul of Baton Rouge, Louisiana, St. Vincent de Paul Community Pharmacy, Inc., St. Vincent de Paul Properties and the Society of St. Vincent de Paul Foundation (the Organizations) as of and for the year ended September 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Organizations' internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated February 24, 2014, on the financial statements of the Organizations.

We have already discussed many of these comments and suggestions with various Organizations' personnel and management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Inventory

Finding:

During our current year testing of the Pharmacy, we noted that because a physical inventory is only performed on an annual basis, the valuation of pharmaceuticals inventory is only adjusted in the general ledger on an annual basis. Only performing an annual count increases the risk that pharmaceutical inventory could be over- or undervalued during the year.

Recommendation:

We recommend increasing the number of physical counts performed during the year as an additional safeguard of medications and to allow pharmaceutical inventory to be valued on a more frequent basis. Ultimately, a perpetual inventory system would provide the most reliable basis for valuation of pharmaceutical inventory.

Procurement Policy

Finding:

During our current year audit procedures, we noted in discussion with the grants manager and accounts payable clerk that vendors receiving payments under the Organizations' rental assistance program are not consistently checked on the federal government's System of Awards Management (SAM) website to ensure that payments are not made to vendors who are suspended or debarred. Most of these payments are to individual landlords and utility companies, and there are no large procurement contracts with incorporated businesses under the rental assistance program. In our vendor testing procedures, we searched each vendor in our testing sample on the SAM website, noting that none were suspended or debarred. However, without proper and consistent verification of vendors, noncompliance with grant agreements could occur.

Recommendation:

We recommend that vendors be verified through the System of Awards Management website to ensure that no payments are made to suspended or debarred parties.

Accounting System

Finding:

During the current and prior year audits, we noted that cash receipts of the Organization are being recorded into a monthly excel spreadsheet that details out the daily deposits made and categorizes them into the various revenue sources. That information is then used to record the monthly cash receipts into the general ledger via journal entry. Another excel spreadsheet is prepared that tracks grants billed, dollars received and amounts owed at month end. In addition, we noted that accounts payable are tracked in an excel spreadsheet and recorded into the general ledger via journal entry. Use of these types of excel spreadsheets increase the risk of errors as well as duplication of effort.

Recommendation:

We recommended and continue to recommend that the Organization discontinue the use of external (Excel) spreadsheets and shift toward utilization of the CSA accounting software, receivables and payable modules. This system allows for the use of accounts receivable and accounts payable modules and would eliminate redundant processing and improve the Organizations' access to information. Implementation of the accounts payable module would allow that invoices only be keyed into the system once and also have the ability to generate accounts payable aging reports and analysis. Use of the accounts receivable module would allow the Organizations the ability to generate an aged receivable listing to assist in the monitoring of receivables and eliminate unnecessary procedures as recording of information into the general ledger via journal entries (and the use of Excel spreadsheets). Additionally, implementation of these modules would allow security features to ensure that only authorized personnel would be allowed to enter, modify, or change data. Other approved users would have the ability to look up data but not to originate or change it.

Segregation of Duties

Finding:

During our prior year audit, we noted that the Accounts Payable Clerk has the ability to make changes to the master vendor file and add new vendors. While the checks and supporting documentation are being reviewed when signed, there is no review of the changes being made to the master vendor file. Without proper segregation of duties and levels of review, there is an increased risk of payments being made to incorrect or fraudulent vendors.

Recommendation:

We recommended that a member of management periodically review and approve the modification report for all changes to the master vendor file.

Corrective Action Taken:

In response to the recommendations, procedures were revised to require that either the Comptroller or CEO review any modifications to the master vendor file.

Information Technology

Finding:

During the prior year documentation of internal controls, we noted that password policy of the organization, while requiring a unique password with numbers and letters for each employee, does not require employees to periodically change these passwords.

Recommendation:

In order to reduce the risk of access to computer files by unauthorized personnel, we recommended that the Organizations institute a policy that requires passwords to be changed on a regular basis. The Organizations may also wish to investigate building into its software automatic expiration of passwords to ensure that they are changed periodically.

Corrective Action Taken:

In response to the recommendation, the Organizations will require that passwords be changed on a regular basis, beginning with the quarter ending March 31, 2014.

This report is intended for the Board of Directors, management, the Office of the Louisiana Legislative Auditor and any cognizant agency and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the legislative auditor as a public document and its distribution is not limited.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Baton Rouge, Louisiana
February 24, 2014

Society of St. Vincent de Paul

P.O. Box 127, Baton Rouge, LA 70821-0127 -- (225) 383-7837 -- svdpbr.org

Bishop Ott Shelter Program - St. Vincent de Paul Dining Room – Myriam's House
St. Vincent de Paul Community Pharmacy – St. Vincent de Paul Thrift Stores

March 5, 2014

Hannis T. Bourgeois
Certified Public Accountants
2322 Tremont Drive, Suite 200
Baton Rouge, La 70809

RE: St. Vincent de Paul Administrative/Management Response to the Management Letter
Dated February 24, 2014

To Whom It May Concern:

This represents our management response to the management letter provided to us by Hannis T. Bourgeois (HTB) on February 24, 2014.

Inventory

As stated in HTB's management letter: "During our current year testing of the Pharmacy, we noted that because a physical inventory is only performed on an annual basis, the valuation of pharmaceuticals inventory is only adjusted in the general ledger on an annual basis. Only performing an annual count increases the risk that pharmaceutical inventory could be over- or undervalued during the year."

We will follow HTB's recommendations by increasing the number of physical counts performed during the year. We agree with the auditors that this will provide an additional safeguard of medications and will allow a pharmaceutical inventory to be valued on a more frequent basis.

Procurement Policy

As stated in HTB's management letter: "During our current year audit procedures, we noted in discussion with the grants manager and accounts payable clerk that vendors receiving payments under the Organization's rental assistance program are not consistently checked on the federal government's System of Awards Management (SAM) website to ensure that payments are not made to vendors who are suspended or debarred."

We will follow HTB's recommendations by ensuring that vendors are verified through the System of Awards Management website to ensure that no payments are made to suspended or debarred parties.

Accounting

As stated in HTB's management letter: "During the current and prior year audits, we noted that cash receipts of the Organization are being recorded into a monthly excel spreadsheet that details out the daily deposits made and categorizes them into the various revenue sources. That information is then used to record the monthly cash receipts into the general ledger via journal entry. Another excel spreadsheet is prepared that tracks grants billed, dollars received and amounts owed at month end. In addition, we noted that accounts payable are traced in an excel spreadsheet and recorded into the general ledger via journal entry."

We will follow the audit recommendation and look into utilizing other modules available with our CSA accounting software in place of our excel sheets. In the past fiscal year, we were going through major changes to our computer system. Therefore, we were delayed in completing our plans to analyze other CSA modules. If these CSA modules perform the tasks necessary to achieve our internal efficiency goals, we will implement the new system. In the analysis of CSA accounting software, if they do not provide the appropriate modules, we will investigate other avenues in order to achieve the important goal of discontinuing redundant processing, which will ultimately lead to the improvement of our organization's access to information.

If you have any questions or require further information regarding these matters, please do not hesitate to contact me at (225) 383-7837, extension O.

Sincerely,

Michael J. Acaldo

Michael J. Acaldo
President & CEO